



ASX Announcement
ASX: HWK

22 June 2017

HAWKSTONE TO COMMENCE DRILLING ON KANGWANE SOUTH ANTHRACITE PROJECT

HIGHLIGHTS

- All statutory requirements to commence the drilling have been completed
- Drill hole locations marked out in the field
- Triple tube drilling to ensure 100% core recovery
- Initially two 100 metre boreholes to be drilled
- Anthracite intersected to be used to confirm historical qualities
- Roof and floor cores to be geotechnical tested

Hawkstone Mining Limited (ASX: HWK) is pleased to announce that it has initiated a borehole drilling programme at its Kangwane South Tenement which will commence before the end of June 2017. The objectives of the drilling programme are to:

- Check the accuracy of the historical boreholes drilled by the Mining Corporation which were drilled during the late 1970's and the 1980's. There is no record of core recoveries or geotechnical properties of the sediments above and below the anthracite seams in these historical boreholes.
- Confirm the historical washability characteristics of the different anthracite seams with new data from washability of the current drilling programme.
- Conduct Impact Splitting Tests on the rock/sediments above and below the anthracite seams to characterise the potential underground mining conditions that will be encountered.
- Confirm the low phosphorus content of certain of the anthracite seams.
- Have some anthracite sample material available to give to potential customers for testing purposes.

Ubuntu Rock Drilling (Pty) Ltd have been appointed as the drilling contractor. Ubuntu Rock Drilling has more than 20 years' experience in core and air percussion drilling and borehole construction. Malatleng Mining has been appointed to do all the negotiation with landowners and this has already been completed. Malatleng Mining will also supervise the drilling contractor as well as do all the core logging, sampling and geotechnical logging. GeoCoal Services has been appointed to manage the exploration programme and write a report on the results of the drilling. Bureau Veritas Laboratories has been contracted to do all coal washabilities and analyses.

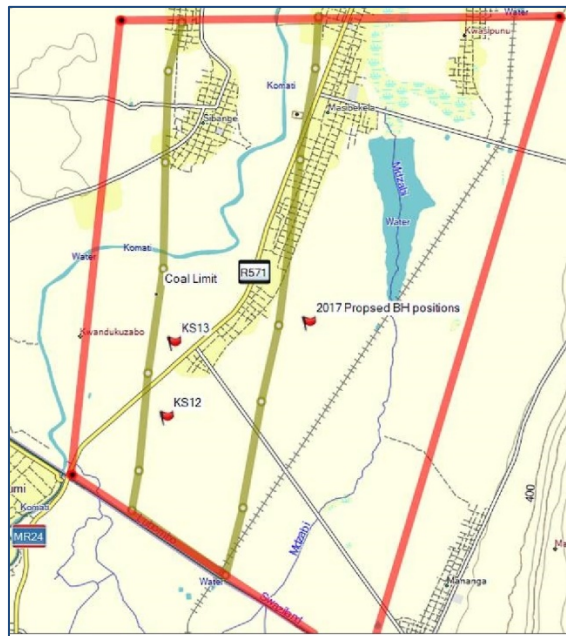


Figure 1: Map of the area showing borehole locations.



Figure 2: Google Earth Map of the area showing borehole locations.

Core Logging will be done by a qualified geologist of Malatleng Mining according to the SANS 10320:2015 code of practice. Both boreholes will be geophysically logged for the following attributes:

- calliper arm for hole diameter
- natural gamma for lithologies
- short and long spaced density for anthracite qualities water levels; and
- bed resolution densities.

Seam depths and widths will be correlated using the geophysical outputs and the actual drill depths in the field. Core recoveries will be calculated and measured.

Analytical procedures are tabled below:



1	Audit samples delivered with lists supplied by Geologist
2	Determine mass of each sample
3	Determine Raw RD of each sample
4	Air dry condition sample
5	Crush samples to -25 mm
6	Screen out -0.5 mm of each sample
7	Wash + 0.5 to -25mm material at densities of 1.4 to 2.0 at 0.1 RD intervals
8	Prepare sub samples for analyses
9	Analyse for Inherent Moisture%, Ash%, Volatile%, CV (MJ/Kg) and S% on each float, sinks at 2.0 and -0.5mm material
10	Calculate cumulative including Yield (but exclude -0.5mm material)
11	Report in standard fractional and cumulative tables n.b. sample names must be identical to geologists list
12	Report cumulative in CSV format: C Moi, C Ash, C Vols, C FC, C S, C CV and C Yield
13	If Yield is greater than 30% at RD 1.4 do Phosphorus on floats at RD 1.4
14	All analyses to be done as per the individual SABS standards

For further information, please contact the Company at 08 6143 6705.